

MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions

Q: What are the Medicare Part A and Medicare Part B Premiums, and Deductibles for 2011? Also, what is the “Extra Help,” Program that Works with Medicare’s Prescription Drug Benefit and How Does One Qualify for that Program?

A: Most beneficiaries will continue to pay the same \$96.40 or \$110.50 premium amount in 2011 for Part B. Beneficiaries who *currently* have the Social Security Administration (SSA) withhold their Part B premium and have incomes of \$85,000 or less (or \$170,000 or less for joint filers) will *not* have an increase in their Part B premium in 2011.

Since 2008, those enrolled in Medicare Part B and who have had their premium deducted from their Social Security check, paid \$96.40. This amount will not go up in 2011 if they continue to have SSA withhold their premium.

For those enrolled in Medicare Part B since 2010, and who have had their premium deducted from their Social Security check, paid \$110.50. This amount will not go up in 2011 if they continue to have SSA withhold their premium.

For all others, which include those who are new to Medicare in 2011, and those whose premium is *not* deducted from their Social Security check, the standard Medicare Part B monthly premium will be \$115.40 in 2011, which is a 4.4% increase over the 2010 premium. The Medicare Part B premium is increasing in 2011 due to possible increases in Part B costs. If your income is *above \$85,000* (as a single person) or *\$170,000* (as a married couple), then your Medicare Part B premium may be higher than \$115.40 per month. Please call 1-800-Medicare, (1-800-633-4227) and ask for the Frequently Asked Question information: **“2011 Part B Premium Amounts for Persons with Higher Income Levels”**.

This monthly premium paid by beneficiaries enrolled in Medicare Part B covers a portion of the cost of physicians’ services, outpatient hospital services, certain home health services, durable medical equipment, and other items.

Medicare beneficiaries enrolled in Part B also have a yearly deductible. The yearly deductible for 2011 is \$162.00 per year. This means that after a Medicare beneficiary has paid \$162.00 out of pocket for their Part B services, then beneficiaries will pay 20% of the Medicare-approved amount for services. However, new in 2011, due to the Affordable Care Act, are free preventive benefits. When Medicare beneficiaries take advantage of most of the preventive benefits covered by Medicare, beneficiaries will *not* have to meet their deductible or pay 20% of the co-pay. Medicare beneficiaries will pay nothing for *most* preventive services if they get them from a doctor or other health care provider who accepts Medicare assignment.

Part A: (Hospital Insurance) Cost Sharing

Most people who are eligible for Medicare do not pay a monthly Part A premium because they or a spouse has 40 or more quarters of Medicare-covered employment. Basically, they or their

spouse paid into the Medicare program for at least 40 quarters through their employment wages.

Part A pays for inpatient hospital, skilled nursing facility, and some home health care. For each benefit period Medicare pays all covered costs except the Medicare Part A deductible which in 2011 is \$1,132 for the first 60 days. After 60 days in the hospital and a one time charge of \$1,132, below is a breakdown of the daily out of pocket cost to the Medicare beneficiary.

For each benefit period in the hospital you pay:

- \$283 per day for days 61-90 of a hospital stay.
- \$566 per day for days 91-150 of a hospital stay (Lifetime Reserve Days).
- All costs for each day beyond 150 days

For each benefit period in a Skilled Nursing Facility you pay:

- \$0 for days 1 through 21.
- \$141.50 per day for days 21 through 100 each benefit period.
- All costs for each day beyond 100 days.

A benefit period begins the day a beneficiary goes into the hospital or skilled nursing facility. The benefit period ends when you haven't received any inpatient hospital care or skilled care in a skilled nursing facility for 60 days in a row. If a Medicare beneficiary goes into a hospital or skilled nursing facility after one benefit period has ended, a new benefit period begins and they will have to pay the inpatient hospital deductible for another benefit period. There is no limit to the number of benefit periods.

Additional information about the Medicare premiums, deductibles, and coinsurance rates for 2011 is available in the November 4, 2010 Fact Sheet titled, "[Medicare Premiums, Deductibles for 2011](#)" by visiting www.medicare.gov or by calling 1-800-633-4227.

Also, the federal Medicare agency, the Centers for Medicare & Medicaid Services would like to remind beneficiaries that Medicare has a program to help pay for your prescription drugs for those with a limited income. To find out if you qualify, visit www.socialsecurity.gov or call 1-800-772-1213 and ask about the "Extra Help" program. Social Security is the agency that administers the "Extra Help" or what is also known as the Low-income Subsidy program, as they have income records to verify qualification of the program. Just recently, the 2011 *resource guidelines* to qualify for the program have been announced and soon after the first of the year, the 2011 *income guidelines* will be announced. For now, if a Medicare beneficiary's annual income is less than, \$16,245 for an individual or \$21,855 for a married couple living together with resources of \$12,510 for an individual, and \$25,010 for a married couple than you would more than likely qualify for the extra help. Resources include bank accounts, stocks and bonds, but *not your house, and car*. Also, you may qualify for the extra help even if your annual income is slightly higher. For example, if you or your spouse support other family members who live with you or you still have earnings from work or you live in Alaska, or Hawaii.

Beneficiaries who qualify will have at least 75% of their out of pocket prescription drug costs paid for, and most will have 95%, which is a great financial help to our nation's seniors!

This will pay for deductibles that some Medicare prescription drug plans have, where beneficiaries have to pay a certain amount for their prescriptions first before the plan begins to pay at all.

It will pay for most or all of a monthly premium that some plans have, and it will either pay for all or most of the cost of each prescription.

Finally, to *all* Medicare beneficiaries and or their caregivers, please take some time before the busy Holiday season that is approaching to take advantage of Open Enrollment—November 15th through December 31st—and be sure to compare your current health and/or drug plan with offerings in your area for 2011, as well as learn about the new benefits that are available in 2011.

There are many resources for comparing and enrolling in a different health and or prescription drug plan for 2011. If you or one of your loved ones is computer savvy the easiest way to conduct a comparison is on Medicare's plan finder compare at www.medicare.gov, and by choosing, "Health and Drug Plans" at the top left and then by choosing, [Compare Drug and Health Plans](#). ***If you or your computer savvy loved one would like to learn how to use this easy and consumer friendly plan finder tool, please join staff from Medicare on Saturday, December 4, from 9:30 a.m. to 10:30 a.m. from the convenience of your home and by calling into a toll-free number you can view a demonstration of the tool from the internet on your own computer. To register for this free demonstration, please call, Jacquie Gallo at 816-426-6301.***

Another resource for plan comparisons is 1-800-633-4227, which is Medicare's customer service toll-free helpline. Customer Service representatives are available 24 hours a day, seven days a week. You can get help over the phone with comparing plans in 2011 or you can ask for the toll-free number to your State Health Insurance Information program (SHIP program) who can set up an in person appointment with you and one of their local volunteers for free unbiased counseling and assistance.

By conducting a plan comparison every year during annual enrollment, people with Medicare may find a way to save money, get better coverage, or both when their new coverage begins, which this year is January 1, 2011. It may be very well worth it, giving your-self a nice gift for the New Year.